## January/February 2007 rendines

Perspectives On Utah's Economy

# Utan's Great Economy What might next year bring? A look forward and back

Are the Rich Getting Richer?

A look at U.S. incomes

Minimum Wage Increases

It's under discussion

# A Close-up Look at Utah's Counties Who is hot and who is not?

**Utah: Missing 21,000 Women** 

Choosing not to work?



#### Trendlines

is published every other month by the Utah Department of Workforce Services, Workforce Information Division. To read, download, or print this publication (free), see our Internet site: <a href="http://jobs.utah.gov/wi.">http://jobs.utah.gov/wi.</a> Click on "Publications" then select the one you want from the drop-down menu.

To obtain additional printed copies or to subscribe to *Trendlines* contact:

Department of Workforce Services Attn: Workforce Information 140 East 300 South Salt Lake City, UT 84111

Telephone: (801) 526-9786 Fax: (801) 526-9238 Email: wipublications@utah.gov

Workforce Information generates accurate, timely, and understandable data and analyses to provide knowledge of everchanging workforce environments that support sound planning and decision-making.



DWS-03-44-0107

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities by calling (801) 526-9240. Individuals with speech and/or hearing impairments may call the Relay Utah by dialing 711.

Spanish Relay Utah: 1-888-346-3162.

#### **Trendlines**

**Utah Department of Workforce Services** 

#### **Executive Director**

Tani Pack Downing

#### Workforce Development and Information

Stephen Maas, Director Stacey Floyd, Assistant Director

#### Contributors

Mark Knold
Carrie Mayne
Michael Hanni
Austin Sargent
Lisa Nicholson
John Mathews
Jim Robson
Lecia Langston
Kathryn Smith
Fred Lange
Chuck Spence

#### Coordination

Kim Bartel Connie Blaine

#### Designer

Pat Swenson

#### jobs.utah.gov



## contents

Growing the Urban Periphery
Wasatch Front and Statewide

It's So Good, It's Bad! Economic Insight

Are the Rich Getting Richer?

Economic Insight

10 A Close-up Look at Utah's Counties
The Outskirts

8

27

12 Minimum Wage Increases Under Discussion
National News

14 Career Spotlight: Health Therapists and Technicians
Occupations

Utah: Missing 21,000 Women What's Happening

Meet Your Friendly PTAC
Our Guest

20 A Look Forward and Back
The Outlook

23 It's the Best!

There's No Place Like Home

Wasatch County
County Highlight

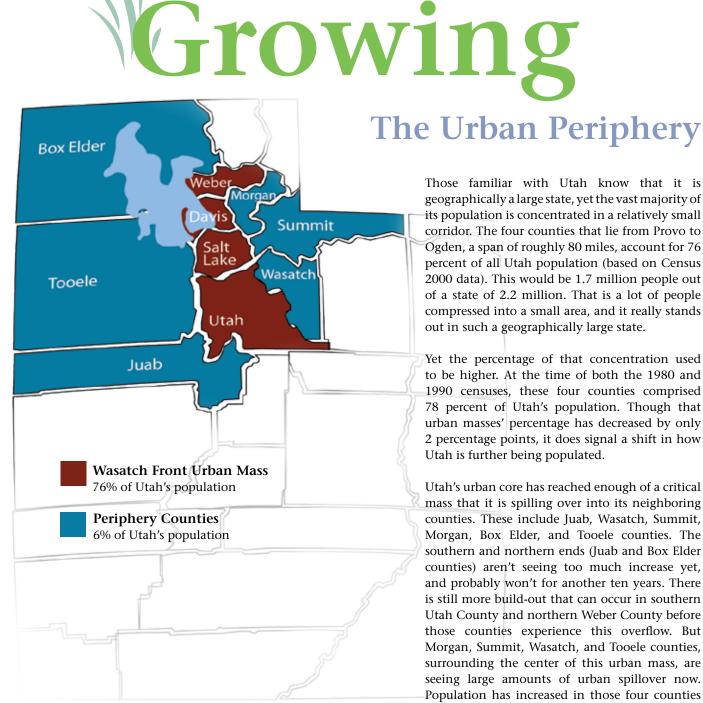
Just the Facts...
Rate Update

#### A Look Forward and Back

January/February 2007

Utah's economy this past year brought lots of new jobs and our economy has been robust. What will the upcoming year bring?

jobs.utah.gov/wi



Those familiar with Utah know that it is geographically a large state, yet the vast majority of its population is concentrated in a relatively small corridor. The four counties that lie from Provo to Ogden, a span of roughly 80 miles, account for 76 percent of all Utah population (based on Census 2000 data). This would be 1.7 million people out of a state of 2.2 million. That is a lot of people compressed into a small area, and it really stands out in such a geographically large state.

Yet the percentage of that concentration used to be higher. At the time of both the 1980 and 1990 censuses, these four counties comprised 78 percent of Utah's population. Though that urban masses' percentage has decreased by only 2 percentage points, it does signal a shift in how Utah is further being populated.

Utah's urban core has reached enough of a critical mass that it is spilling over into its neighboring counties. These include Juab, Wasatch, Summit, Morgan, Box Elder, and Tooele counties. The southern and northern ends (Juab and Box Elder counties) aren't seeing too much increase yet, and probably won't for another ten years. There is still more build-out that can occur in southern Utah County and northern Weber County before those counties experience this overflow. But Morgan, Summit, Wasatch, and Tooele counties, surrounding the center of this urban mass, are seeing large amounts of urban spillover now. Population has increased in those four counties by 61 percent between the last two censuses, and their share of total Utah population has increased by 1 percentage point (rising to 4.2 percent). That may not seem like much, but in just a ten-year period, that is a sizeable increase.

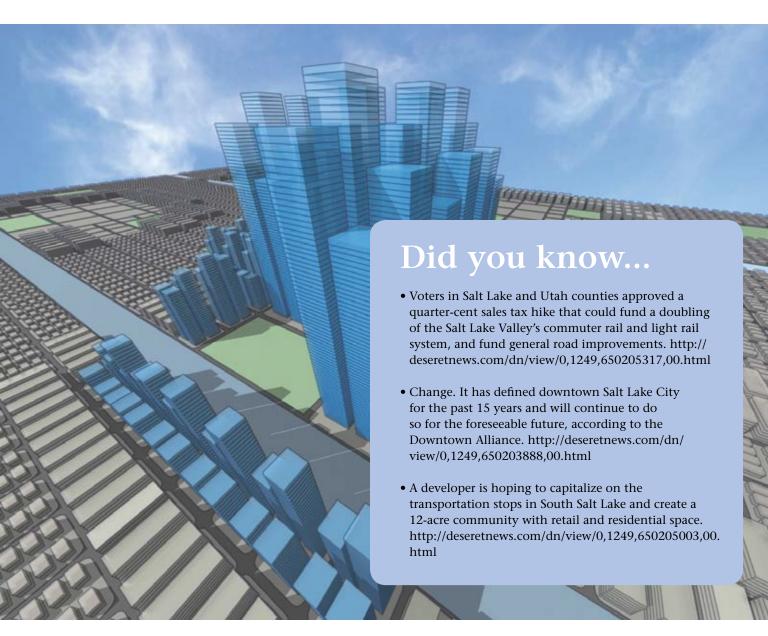
Source: Utah Department of Workforce Services

# Utah's urban core has reached enough of a critical mass that it is spilling over into its neighboring counties.

The people are flowing out of the urban corridor, but are the jobs? Not to the same degree, and not until just recently. In 1990, those four peripheral counties accounted for 3 percent of all Utah jobs. By 2000, their employment share remained at 3 percent. Their percent of the state population grew, but not the employment percent. But in

2005, those four counties' employment percentage increased to 3.5. The population spilled out first, and the jobs are just now starting to follow.

To follow the latest economic events: http://jobs.utah. gov/wi/press/tlextra/tlextracurrent.asp



# It's So Good,

# ëlt's Bad!

# Utah's low unemployment rate means plentiful jobs but stiff competition

o do you want the good news, or the bad news? Actually, it is the same news. The good news is that Utah's unemployment rate is at historic lows—dropping below 3.0 percent at the end of 2006. Utah hasn't seen rates like these since the late summer of 1952. A rate this low indicates that jobs are plentiful and Utahns are working. The bad news is that the rate is below 3.0 percent. That means businesses face a tight labor market and stiff competition for labor. While jobs may be plentiful, employers bemoan the difficulty they have in finding the skilled workers they need (particularly at wages they desire to pay).

Currently, Utah has one of the lowest unemployment rates in the nation. Each state works with the Bureau of Labor Statistics (BLS) to produce statewide unemployment rates. This shared federal-state program is called Local Area Unemployment Statistics, or LAUS for short (pronounced louse)—no jokes please.

To produce the unemployment rate for the nation, BLS contracts with the Census Bureau to conduct monthly surveys of 60,000 households nationwide. To get state data, the survey results for each state (Utah's share is about 600 households) are fed into an economic modeling system (LAUS), along with nonfarm job growth and the amount of unemployment insurance activity. Using statistical techniques, the model then calculates an unemployment rate for each state. Utah is currently in a job boom, with non-farm job growth hovering around 5.0 percent. At the same time, our unemployment insurance activity has been falling. These factors, along with the survey data, have combined to push Utah's rate down to historic lows.

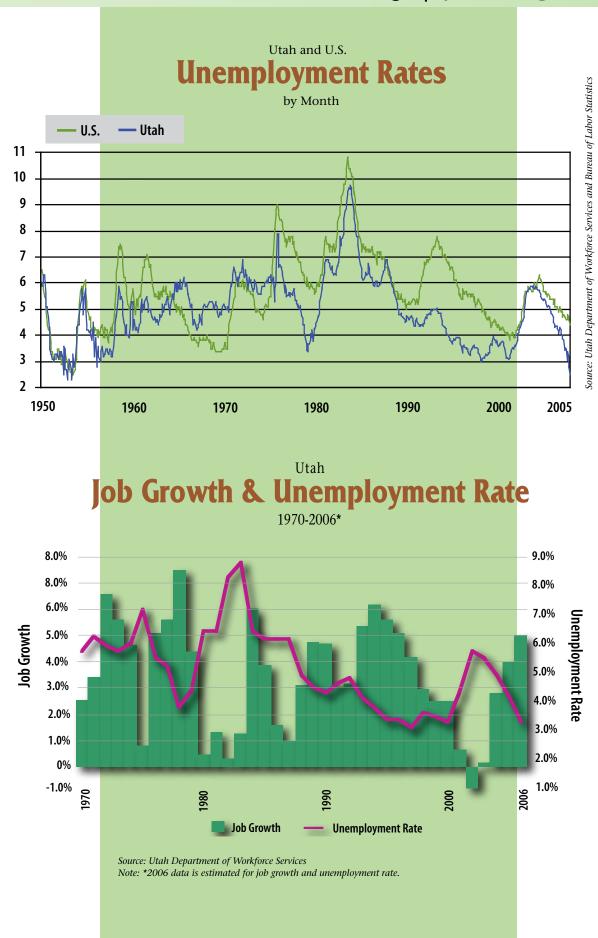
The falling unemployment rate is no surprise when compared to the strength of job growth in Utah. The current economic climate is strong, as all industry sectors are adding jobs. Construction and professional services have been particularly

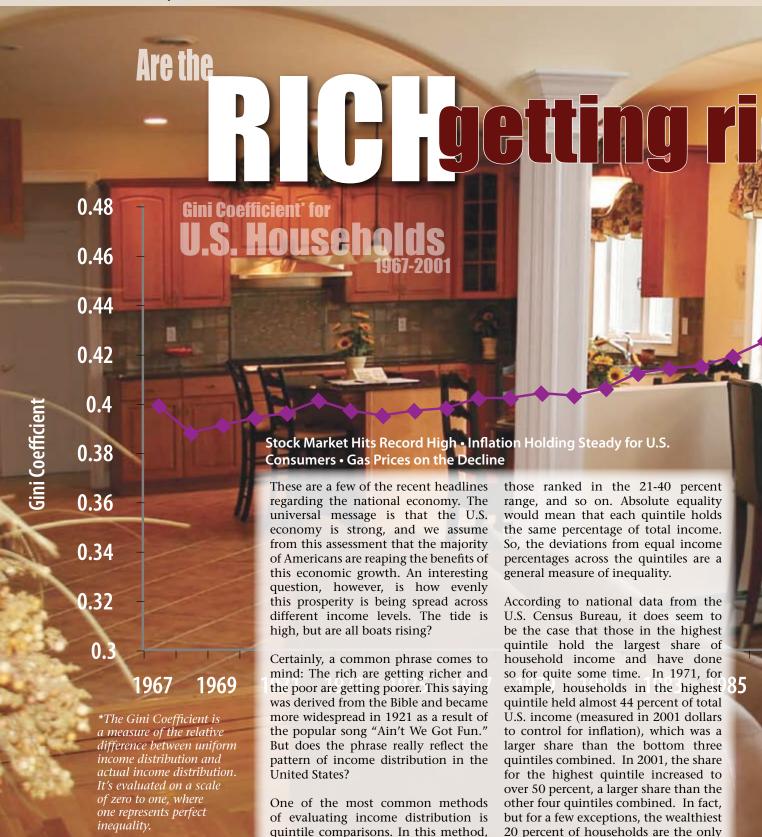
robust. This economic surge has increased the demand for workers and soaked up the surplus labor from the 2001 recession.

The big question is, how long can it last? In the short term Utah is poised for continued good economic times. Job growth may moderate some, but will still be solid. This will keep the Utah unemployment rate from rising significantly. So the good news is that job seekers with skills will find a healthy job market, and the bad news is that employers will continue to scramble to get the workers they need in a tight labor market.

For more information try these web links:

- http://jobs.utah.gov/jsp/wi/ utalmis/default.do
- •http://www.bls.gov/
- •http://www.bls.gov/cps/home.





households or individuals are ranked by

income, then divided into fifths. The

bottom quintile is made up of those in

the bottom 20 percent of the income

ranking, the second quintile represents

group to have seen their income share

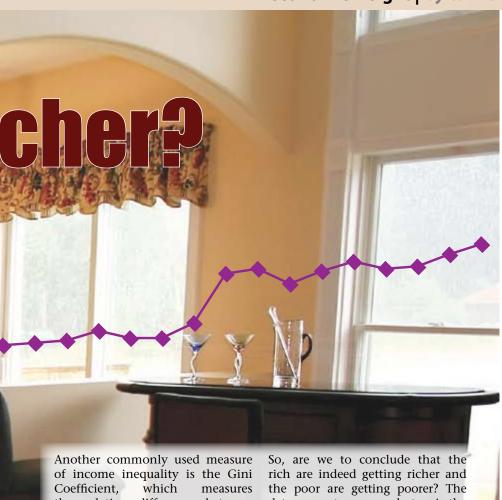
grow over the last 30 years. The shares

held by the middle three quintiles have

shown a significant decline over the

same period.

Source: U.S. Census Bureau



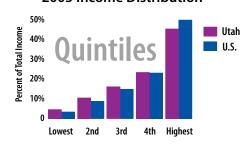
Another commonly used measure of income inequality is the Gini Coefficient, which measures the relative difference between uniform income distribution and actual income distribution (measured by the Lorenz curve). It's evaluated on a scale of zero to one, where zero represents perfect equality and one represents perfect inequality. National data from the U.S. Census shows that the Gini Coefficient has risen fairly steadily since the late 1960s, with some notable exceptions corresponding to recessionary periods.

Currently, Utah's income distribution seems to show some of the same characteristics as the nation. According to the American Community Survey, in 2005, the wealthiest 20 percent of households in Utah held 45 percent of the state's income. However, overall, Utah exhibited a stronger level of equality across the quintiles, with the bottom four holding a larger share of the total household income than that held by the corresponding national quintiles, and the top quintile holding a smaller share.

So, are we to conclude that the rich are indeed getting richer and the poor are getting poorer? The data seems to say yes, but as is the case with most data, we need to look more closely. One factor being overlooked here is the number of income earners within a household. The total income of a household can shift depending on the number of income earners within the household, so some of the changes in household income share could be due to changes in household composition rather than an unequal distribution of income.

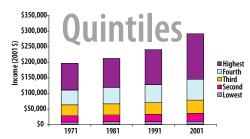
To end on a philosophical note, let's ask ourselves why we should care. Some argue that income inequality is bad for the country. From a societal perspective they argue that it breeds injustice and from an economic perspective it is thought to be harmful because it stifles economic growth. However, others argue that income inequality is not a problem because the additional income going to the top households will get funneled through to the other tiers through investment.

#### 2005 Income Distribution



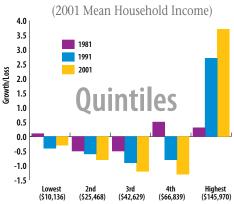
Source: 2005 American Community Survey, U.S. Census Bureau

#### U.S. Household Income Shares Select Years



Source: U.S. Census Bureau

#### Decade-Over Growth/Loss of U.S. Household Income Share



Source: U.S. Census Bureau

198





It's the Best

The best available measure of a county's economic well-being has to be its rate of job growth. This "concurrent" indicator tracks very closely with cycles of boom and bust, or expansion and recession. Plus, it represents some of the most accurate data around. (All right, this department collects that data, but we aren't biased.) At the writing of this article, 2006 annual data was not yet available, so we'll cover the 1985-to-2005 time period. Remember 1985? The first Ford Taurus rolled off the assembly

line, Ronald Reagan was

this case let's look back-way back-to discover which counties have experienced the strongest

economic growth over the past 20 years.

### Did you know?

- A developer who said he holds rights to buy the once-bankrupt Elk Meadows ski area in Beaver has plans for 1,200 trophy homes and condominiums, a Jack Nicklaus-commissioned golf course and other development totaling \$3.5 billion. The Deseret Morning News
- store in Red Cliffs Mall in St. George. The new store is located at the east end of the mall in the building formerly occupied by Wal-Mart. The
- Brian Head officials have decided to give the OK for a \$900,000 skier bridge that will span state Route 143 and help connect Brian Head Resort's the skier bridge that the town would purchase, the resort will invest about \$8 million in improvements. The Spectrum

president and U.S. unemployment registered above 7 percent.

To put the county numbers in perspective, what happened statewide and nationally? In Utah between 1985 and 2005, jobs increased by 84 percent—more than twice the rate of the national job expansion (37 percent). Overall, the four main Wasatch Front counties—Salt Lake, Davis, Weber, and Utah—showed slower-than-average expansion of 80 percent. On the other hand, the remaining off-the-Front counties experienced 99-percent expansion over the past 20 years. In other words, jobs outside the Wasatch Front almost doubled.

#### Who is Hot?

As with most indicators, counties located outside the Wasatch Front corridor displayed a wide array of economic performance. However, the counties which experienced the most rapid employment expansion were located outside the state's major metropolitan areas. Red-hot growth in Washington County is vividly illustrated by the fact that between 1985 and 2005, jobs quintupled—an increase of more than 400 percent! Two other southwestern counties—Iron and Kane—also took their place among the top five fastest-growing employment counties in Utah. Two Wasatch Front fringe counties—Summit and Wasatch—rounded out the top five.

Roughly one-third of Utah's counties at least doubled their jobs over the last 20 years. Only one of those counties—Utah County—could be counted as a member of the Wasatch Front.

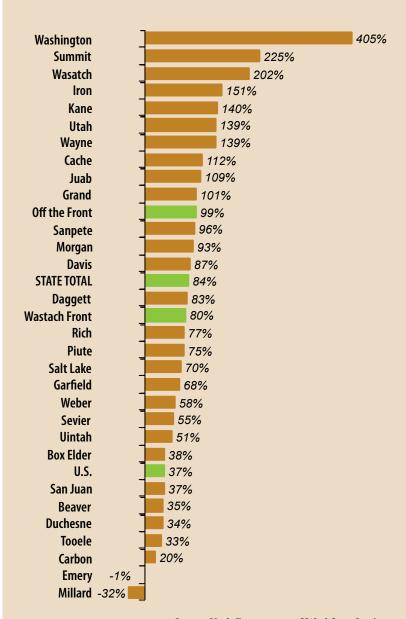
#### Who is Not?

On the other end of the spectrum, Millard and Emery counties' employment measures less today than 20 years ago. In the case of Millard County, Intermountain Power Plant construction produced a temporary swell in the base year. Emery County's employment registered only a slight decline. Slow-growing counties included San Juan, Beaver, Duchesne, Tooele, and Carbon counties. However, remember that these numbers cover two decades. Several of these counties are currently experiencing rapid expansion. For example, Duchesne County's current job-growth rate registers in the double-digit range.

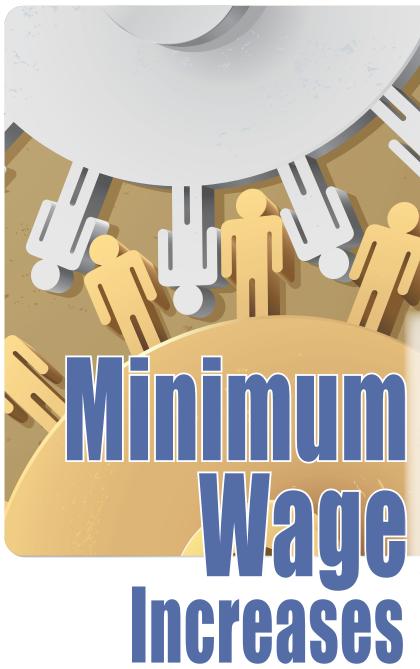
For more information on Utah's counties: http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do

#### **Growth in Non-farm Jobs**

1985 - 2005



Source: Utah Department of Workforce Services



**Under Discussion** 

Since the 2006 fall elections, there has been renewed interest in the federal minimum wage. It appears that when the new Congress convenes in January 2007 one order of business will be to consider raising the minimum wage.

Recent attempts to increase the federal minimum wage allowed for a phase-in period over a few years. Last fall Congress considered a proposal to raise the minimum wage in three phases: \$5.85 on January 1, 2007, \$6.55 on June 1, 2008, and \$7.25 on June 1, 2009. This minimum wage proposal was part of a larger bill (HR 5970) that included changes to the estate tax and other tax law changes. At the time it could not pass the Senate.

The last increase in the minimum wage was over nine years ago, changing from \$4.75 to \$5.15 on September 1, 1997. Because of inflation, the value of \$5.15 has eroded by about 20 percent.

Another way people evaluate the value of the minimum wage is to compare it with the average wage paid to workers (average hourly earnings of production and non-supervisory workers). In 1998, \$5.15 per hour equaled 40 percent of the average wage. In 2006, the minimum wage equaled about 31 percent of the average wage. If the minimum wage were \$7.25 per hour in 2006 it would have equaled 43 percent of the average wage. In 1950, when the minimum wage was just 75 cents per hour it was 56 percent of the average wage—an all-time high.

Proposals to increase the federal minimum wage always engender a fair amount of controversy. Proponents see an increase as an anti-poverty measure, allowing a full-time minimum wage worker to have an income above the poverty level.

Opponents argue that many minimum wage workers are teenagers or entry-level workers with few skills, who need to break into the workforce and are not primary breadwinners for their households. Opponents contend that because of the increased cost, many jobs for these young and unskilled workers will be eliminated, resulting in higher unemployment and less opportunity. Proponents counter that the job losses that may occur are very small and are outweighed by the positive income effects to low-income households. There are numerous studies and data analyses on either side of these arguments. There is no definitive economic resolution to this debate.

In the absence of federal legislation to increase the minimum wage over the past decade, 29 states have passed increases in the minimum wage above the federal level. This includes six states that made changes to their minimum wage in November's election.

It has been estimated by the Economic Policy Institute, that an increase to \$7.25 would directly benefit 6.6 million people with higher wages, or about 5 percent of the labor force. Another 8.3 million could be indirectly benefited; workers who would be making close to the new minimum wage and may receive wage increases over time as a ripple effect.

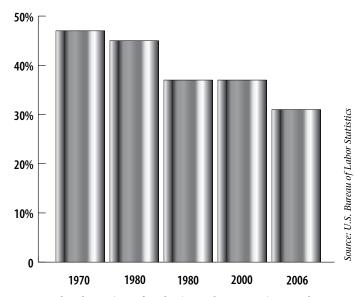
#### **Minimum Wage**

in Real 2006 Dollars (inflation adjusted using the consumer price index)



Minimum Wage as a Percent of the

#### **Average Wage\***



\*Average hourly earnings of production and nonsupervisory workers.

#### CAREER SPOTLIGHT



# Health Therapists

Are you looking for a career with great long-term potential? With the increased demand for healthcare, opportunities for professionals in these occupations have never been better. According to the U.S. Bureau of Labor Statistics, this industry is expected to grow 30 percent and add more than 4.3 million jobs nationally between 2004 and 2014.

You have heard of physicians and nurses, but may be less familiar with other healthcare occupations such as respiratory therapists, occupational therapists, nuclear medicine radiation technologists, therapists, medical diagnostic sonographers, radiologic technicians, and many others.

These lesser-known jobs often pay well, have many positions available, and don't require many years of training. Let's look at just one of these occupations.

Respiratory therapist has been selected by the Utah Department of Workforce Services as a "five-star" occupation because it offers high wages and has many job openings. Respiratory therapists evaluate, treat and care for patients of all ages with heart and lung problems, from babies with underdeveloped lungs to adults with chronic disease.

They administer aerosol medications and oxygen, conduct diagnostic tests, monitor ventilator settings, and perform chest physiotherapy to remove mucus from patients' lungs and make it easier for them to breathe. Because therapists operate advanced medical equipment, it helps to be good with computers and pay attention to detail. Respiratory therapists work with physicians to develop a plan of care, and may also supervise respiratory therapy technicians. Most respiratory therapists work in a hospital setting, where they may be required to work evenings, weekends or night shifts. An increasing number also work in nursing homes, extended care facilities, and home care, where they travel to patients' homes to provide treatment.

To become a respiratory therapist, you must attend an associate degree program and obtain a license to practice in Utah. For example, Weber State University offers both an associate and bachelor's degree in respiratory therapy. The University reports that

100 percent of their graduates find jobs in the field. Respiratory therapy students take coursework in subjects such as physiology, microbiology, and chemistry, and spend time at the hospital learning on the job. If you enjoy helping people, are good at math and science, like variety, and are looking for a career with multiple advancement opportunities, this profession could be a great fit.

Respiratory therapists enjoy above-average pay, and currently earn a median wage of about \$24.00 an hour. Demand for respiratory therapists continues to grow at a high rate, particularly as an aging population experiences more pneumonia, pulmonary disease, and other respiratory problems. In Utah, this occupation is expected to have about 60 openings per year.

Are you interested in learning more about respiratory therapy or other great careers in healthcare? Visit our website at www.jobs. utah.gov/opencms/ wi or the American Association for Respiratory Care at http://www.aarc.org/ career/be\_an\_rt to learn more.

#### Selected Health Occupations and Wages



Source: Utah Department of Workforce Services

jobs.utah.gov/wi Trendlines 15

Mean Hourly Wage

## UTAH: MISSING 21,000 WOMEN



In labor economics, and economic theory in general, human capital is a sort of like magic fairy dust. Sprinkle a little more education and training on your people and watch your economy become more productive and competitive. Indeed, we often associate high levels of human capital—in the form of educational attainment—with the most successful state economies in the nation. In that regard the state of Utah has long been a leader, benefiting from some of the highest rates of high school diploma and college degree holders in the nation. However, this position has come under threat in the past decade.

This slowdown in the growth of people in the state with higher education is especially felt when we look at data for full-time, year-round workers—

people who work 35 or more hours a week for 50 or more weeks in the year and are 16 years old or older—who make up the "core" of any state's civilian workforce. Using data from the 2005 American Community Survey (ACS) and looking specifically at workers with a bachelor's degree, Utah is 0.4 percent below Oregon, 2.2 percent below California, 3.1 percent below Washington, and 6.5 percent below Colorado. If we take the broader view of higher education attainment and measure those with a bachelor's degree or more, Utah is behind 0.9 percent, 4.7 percent, 5.0 percent, and 9.6 percent, respectively.

What is the cause of this rather striking result? In a phrase, Utah is missing working women. That's right, a major cause for Utah's changing position in the overall educational attainment of its core civilian workforce is a surprising lack of women. While nationally women comprise an average of 41 percent of the full-time, year-round workforce with strictly a bachelor's degree, in Utah they average only 32 percent, or a gap of 9 percent. To bring Utah's percentage in this category in line with that of the nation, the state would need roughly 21,000 more full-time, year-round working women with bachelor's degrees.

Furthermore, this gender imbalance is even more pronounced at higher levels of education where the number of women working full-time with a master's degree is 14 percent below the national average and the number of women working with a professional degree is 19 percent below the national average.

Unfortunately, there are no easy answers to this conundrum. There are likely many reasons—cultural, economic, etc.—for women in Utah with higher education to be less inclined to work full-time than women nationally. However, if this situation were to change overnight, would the overall level of education attainment of women in the state impact Utah's gaps with its neighbors and the nation as a whole? Surprisingly, Utah, which had been one of the most progressive states in the past century in terms of higher female education, has seen its position among other states slip in recent decades according to Census data.

While Utah remains in the top ten states in terms of the male population aged 25 or older with at least a bachelor's degree, in terms of women the state has dropped from the top ten in the early part of the 20th century to 25th place in 2000.

Looking at specific levels of higher educational attainment, ACS data shows that while women in Utah make up roughly half of those people with a bachelor's degree, they make up only a quarter of graduate degree holders.

So the question at the end of the day is simple: are these workforce dynamics detrimental for Utah? No, not necessarily. While having more higher-educated women participate in the full-time workforce would add to the state's portfolio of human capital, working in the home is also a very valuable asset in

a state that leads the nation in fertility and household size. However, the state's slowing growth in the number of women with at least a bachelor's degree is concerning.

As the nation, and Utah's sister states in particular, become more educated, especially in terms of post-bachelor education, the state will increasingly be at a human capital disadvantage in a global economy where higher education levels directly correspond with a higher quality of life.

# Gender Imbalance By Educational Attainment

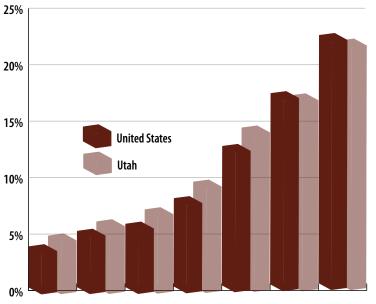
of the Full-time, Year-round Workforce

Degree	United States	Utah	"Missing" Women due to Gender Imbalance
Bachelor's	59% Male	68% Male	21,000
Degree	41% Female	32% Female	
Master's	57% Male	71% Male	11,000
Degree	43% Female	29% Female	
Professional	68% Male	87% Male	2,900
Degree	32% Female	13% Female	
Doctorate	70% Male	79% Male	900
Degree	30% Female	21% Female	

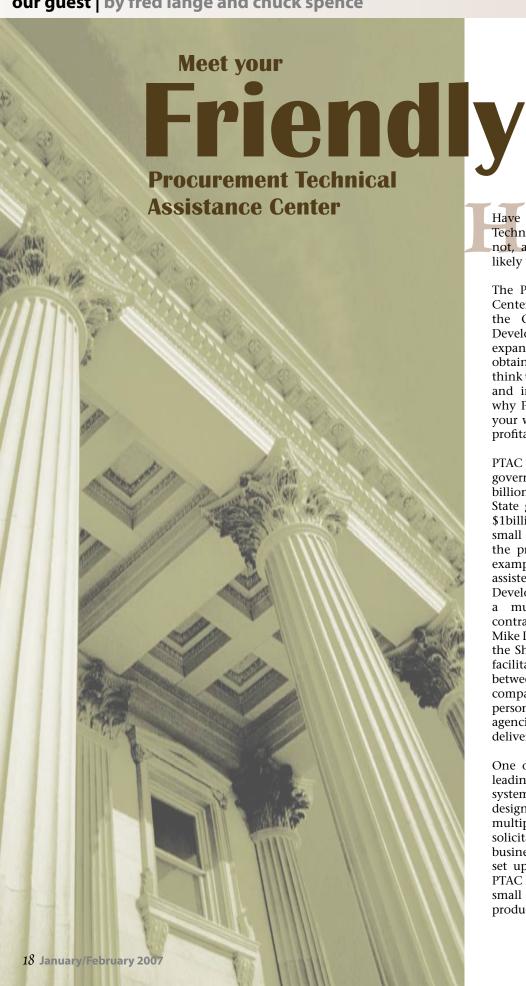
Source: American Community Survey (2005) and author's calculations.

#### Female Population 25 Years And Older

With a Bachelor's Degree or Higher



Source: U.S. Census Bureau, Decennial Census of Population, 1940 to 2000.



Have you heard of the Procurement Technical Assistance Center (PTAC)? If not, and you're a business owner, it's likely you'll want to contact them.

The Procurement Technical Assistance Center (PTAC), a program housed under the Governor's Office of Economic Development (GOED), helps companies expand and increase their business by obtaining government contracts. If you think the federal government is ominous and intimidating, you're right. That's why PTAC exists, to help you navigate your way through the morass and land profitable, long-term contracts.

PTAC is important because the federal government purchases over \$500 billion a year in goods and services. State government itself purchases over \$1billion. PTAC wants to help Utah small businesses get as big a piece of the procurement pie as possible. For example, PTAC and others from GOED assisted the Shoshone Economic Development Corporation in landing a multi-million dollar construction contract with Dugway Proving Grounds. Mike Devine, Chief Operating Officer for the Shoshones, said, "PTAC has helped facilitate several 'teaming agreements' between us and other federal contracting companies as well as introduced us to key personnel at Dugway and other federal agencies. PTAC is a state office that really delivers on business development."

One of PTAC's paramount tools is its leading edge bid-match notification system. This program utilizes a customdesigned software system which uses multiple search engines, daily, to find solicitations or bids that match the businesses' profiles that have been set up by PTAC representatives. These PTAC representatives help individual small companies to define their specific product or service, which is compared by the computer software program to all requests for proposals from agencies of the federal, state and local government. When a match is found it is sent on to the Utah companies that should consider bidding on the contract. Additionally, PTAC conducts workshops, seminars, one-on-one counseling, and joint counseling with other economic development partners, including SBA, SBDC, MEP, Micro Loan Fund and SCORE, to name a few.

Last month, PTAC hosted the first-ever, statewide Procurement Symposium at the SouthTowne Expo Center in Sandy. More than 400 small business owners and representatives participated in breakout seminars, and networked with over 50 booth exhibitors looking for sellers and teaming partners. "Participating in the Procurement Symposium was like two years of marketing in one day," said David Baxter, Program Manager for Carter-Burgess, a booth exhibitor.

PTAC also provided a very important networking opportunity with our "Reverse Tradeshow" model, where many of the large companies and government agencies had booths, complete with contracting officers present, who were willing to discuss possible contracts and subcontracting opportunities between their large company/agency, and the many small business owners visiting their booth.

The Procurement Symposium was so successful that PTAC plans to make this an annual event, so watch for information next year as we plan to hold an even larger and better event. Better yet, don't wait. Call your nearest PTAC representative today!

For more information: www.goed.utah.gov/PT

#### **Utah Procurement Technical**

#### **Assistance Centers**

Salt Lake, Summit, Daggett, Uintah, and Duchesne Counties (Also Main Office: Utah Procurement Technical Assistance Center) Contact: Fred Lange, Director (801) 538-8733 Chuck Spence, Deputy Director (801) 538-8655

South Salt Lake, Utah and Tooele Counties Contact: Jonnie Wilkinson (801) 957-6076 Cell: (801) 867-9287

Utah and Wasatch Counties Contact: Cory Holley (801) 863-8713 Cell: (801) 830-9088

Box Elder, Cache and Rich Counties Contact: Kent Watson (435) 752-7242 Juab, Millard, Sevier, Sanpete, Piute, and Wayne Counties Contact: Kent Christensen (435) 896-9222 Ext. 35

Carbon, Emery, Grand and San Juan Counties Contact: Delia Paletta (435) 637-5444 Ext. 408 or: Cory Holley (801) 863-8713 or Cell: (801) 830-9088

Iron, Garfield and Beaver Counties Contact: Joni Anderson (435) 586-5400

Washington and Kane Counties Contact: Debi Barmonde (435) 652-7741

Weber, Davis and Morgan Counties Contact: Kori Ann Edwards (801) 593-2250



FOTWard and Back

It appears that at least 57,000 new jobs were created in Utah over the past year.

Another year has passed. They seem to come and go faster and faster in relation to how much slower and slower our bodies operate. In other words, the older we get, the faster the years seem to go by.

But economically, it was a good year for Utah! Job growth advanced at the top end of the historic scale; unemployment fell to a new low. That type of profile of economic performance doesn't come along very often. It is producing a powerful boost to the state in terms of new jobs, increasing incomes, and strong tax revenues that support education and infrastructure needs. Rarely does the overall picture get any better than this.

All things appear to have a way of balancing out. During the economic slowdown of the early 2000s, a 2002 narrative could have said, "rarely does Utah's economy get any worse than this." The state had lost jobs, unemployment was high, and the state legislature was dealing with a revenue shortfall. What a difference a few years make! Ah yes—the occasional roller coaster ride of the economy.

At the time of this writing, 2006 employment growth is still developing. It appears that Utah's economy will have grown by 5

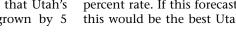
percent or better for 2006. If so, 5 percent means that at least 57,000 new jobs were created in Utah over the past year. That's the best employment growth rate since 1996—ten years ago—and never has Utah added this many new jobs to the economy in one year.

This economic growth's greatest strength is its diversity. All industrial sectors are adding new jobs. Now, they are not all adding new jobs at an equal rate, but they are all adding new jobs.

Construction is the leading industry. It is just flat-out booming in Utah. When the year is all said and done, construction will likely have added around 14,000 new jobs. That would be about every 1-in-4 new jobs.

The other big job-growth sector is professional and business services, adding around 10,600 new jobs to the economy. That would be about 1-in-5 new jobs. The good thing about this sector is that half of these new jobs are in the high-paying professional and technical area. These are the kinds of jobs we need here in Utah.

Wage growth is quite strong this year, projected to grow at a 5.4-percent rate. If this forecast holds, this would be the best Utah wage



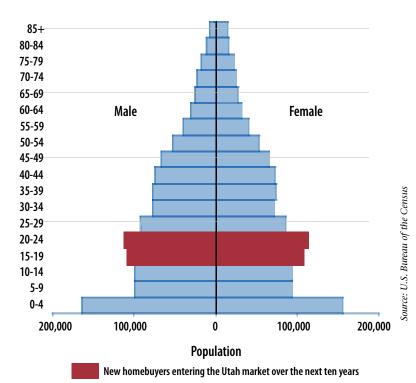
increase since 1992. Wage increases are inversely correlated with the unemployment rate. In other words, when the unemployment rate declines, wage rates tend to increase. Why? Because there are fewer available workers to fill empty slots, and businesses begin to bid for workers. The bottom fell out of Utah's unemployment rate in 2006, and correspondingly, we saw a rapid increase in wages for workers.

One other characteristic to note on the 2006 economy is the evenlyspread prosperity throughout the state. The good times aren't just limited to Utah's metropolitan area, but also out into its nonmetropolitan surroundings. All regions are adding jobs at a good pace, particularly the Uintah Basin with its current energy boom, and the southwest corner where Iron and Washington counties are rapidly developing.

What can we expect for 2007? More of the same, but not quite as fast. Employment growth above 5 percent is hard to sustain for several years, especially when the unemployment rate has plummeted. The longer you go with historically low unemployment rates, the more concern there is about the market's ability to supply additional workers. The local population can only contribute

continued on next page

#### Utah's Population by Age and Sex: 2000 Census

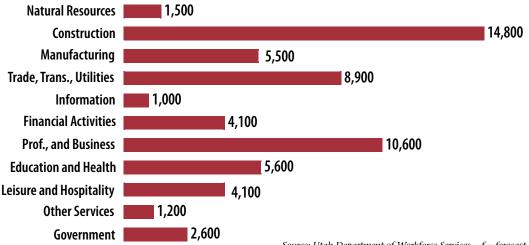


Note: This is 2000 Census data. Each of these groups has moved up one tier as of 2005, and a new group has populated the 0-4 category.



#### **Utah Non-Farm Job Growth**

(Numeric Change) 2005 - 2006f



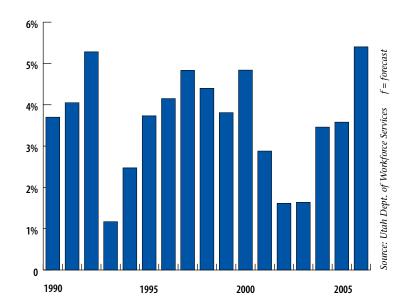
Source: Utah Department of Workforce Services f = forecast

so much. The rest of the growth has to come from in-migration. A weak national economy and continued international in-migration should keep augmenting Utah's labor force expansion, but the odds still favor a slowing in labor force growth for 2007. Employment growth of 4.7 percent is expected, and is still a commendable growth rate.

The construction boom should continue to carry into 2007. The LDS Church's redevelopment of two

downtown blocks will be the standard bearer for commercial construction for the next several years. But it is not the only project on the table in Utah. That table is plenty full—and that's just commercial activity. Residential construction is the foundation of Utah construction activity, and it is slated to remain strong for the next decade. Just look at Utah's demographic makeup.

Outside of the zero-to-ten year olds, Utah's largest age group is the 20-to30 year olds. That group of people is either in or will be moving into their household formation years. Young people commonly decide to marry, start a family, and settle into a life together. As their employment opportunities allow, they will move from being renters to homebuyers. They will be doing this in large numbers over the next ten years, which looks like plenty of fuel for Utah's housing industry.



#### Utah Average Wage Growth

Percentage Increase 1990 – 2006f



DWS Unemployment Insurance Program Recognized as Best in the Nation

Utah's Unemployment Insurance Program was honored by the U.S. Department of Labor for attaining the best performance nationally in administration of the Unemployment Insurance Program (UI). In Utah, the program is administered by the Department of Workforce Services (DWS).

The U.S. Department of Labor celebrated performance excellence in the Unemployment Insurance system with its first annual Unemployment Insurance State Performance

Excellence Awards. Utah received the highest honor, the Pinnacle Award, which goes to the state with the top performance overall in key areas of state UI operations, including UI benefits, taxes, and appeals.

Utah Governor Jon M. Huntsman Jr. was pleased to hear of the award. "This shows the hard work and dedication that DWS has put forth to ensure that the State of Utah is well served," he said. "DWS deserves this national recognition."

"By attaining the Pinnacle Award, your state is the top performer in areas that reflect the breadth of the Unemployment Insurance system and that are most critical to its success," said Emily Stover DeRocco, Assistant Secretary for Employment and Training. "It is gratifying to know that workers and businesses in your

state are receiving the outstanding services offered by staff at the Department of Workforce Services."

Chris Love, deputy director of DWS, accepted the award at an awards ceremony in Denver, Colorado, on November 1. "This is a tribute to the efforts and support of a lot of people over an extended period of time," he said upon accepting the award. "Attaining this honor requires a genuine commitment from staff and management to focus on exceptional performance and developing and implementing work processes to achieve them."

The presentation was held at a conference attended by state UI directors from across the nation.

This [recognition] shows the hard work and dedication that DWS has put forth to ensure that the State of Utah is well served.

Utah Governor Jon M. Huntsman Jr.



L-R: Michael Medley, DWS General Counsel, Director of Appeals; Cheryl Atkinson, U.S. Department of Labor; Kathy Prettyman, Chief of Benefits, DWS Unemployment Insurance Division; Bill Starks, Director, DWS Unemployment Insurance Division; and Christopher Love, DWS Deputy Director, pose with Utah's Pinnacle Award.

# There's No Place Like

Home means different things to different people in different places across the nation. What is a home here in Utah and how does it compare to the rest of the nation? The American Community Survey, produced by the U.S. Census Bureau, provides insight to this question giving us a peek at what's really going on in the housing market. For Utah the news is both good and bad.

The good news is the median price of a home in Utah is slightly lower than the national median. This translates to a lower median mortgage payment, an average saving of \$95 a month, which adds up to \$1,140 a year. Utah's median rent is also below the national median by \$63 a month for an annual savings of \$756. Compared to the rest of the country it's like getting a month for free! In addition to this, when we compare the size of our homes the median number of rooms in Utah is 6.0 compared to a national median of 5.4. Utah's big families give us an average household size for homeowners of 3.23, which is considerably larger than the national average of 2.7, so apparently there is good reason for those larger homes.

The bad news is that many people really can't afford these homes. Across the board the percentage of household income spent on housing is growing. Over the last five years the number of households in Utah spending less than 20 percent of income on housing has shrunk by more than 30 percent.

The percent of households spending more than 30 percent of their income on housing has increased to 32.8 percent for homeowners and a disturbing 41.6 percent for renters. Nationally, the percentages for homeowners and renters are even higher. But our larger household size means losing a percentage of income on rent or mortgage costs will have a deeper impact on how far the remaining disposable income will go. We still have to feed, clothe, medicate, etc., that extra 0.53 of a person in the household. To complicate matters, Utah is also experiencing lower-than-average vacancy rates for both homeowners and renters putting an upward pressure on both home prices and rent.

The trend toward housing taking a bigger bite out of the paycheck is frankly quite concerning. Being "house poor" is not a fun position to be in, but it's becoming a reality for more and more households. In Utah, however, we are not struggling as much as can be seen across the rest of the nation. We pay less for housing than over half the country, and the dollars we spend on housing go farther.

For more information visit: http://factfinder.census.gov/home

#### The Good News...

	Utah	U.S.
Median House Price	\$167,200	\$167,500
Median Mortgage Payment	\$1,200	\$1,295
Median Rent	\$665	\$728
Median # of rooms	6.0	5.4
Average Household size Homeowner	3.23	2.70
Average Household size		0,1

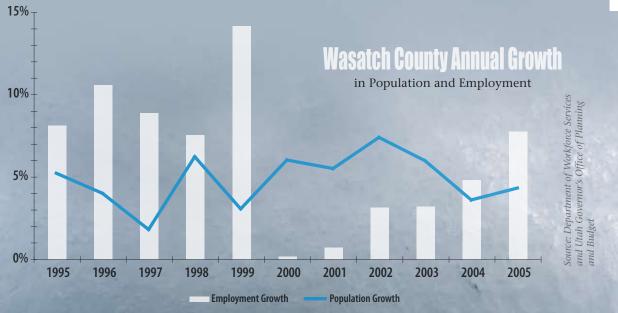
Source: American Community Survey, U.S. Census Bureau

#### ...and the Bad

	<b>Utah 1999</b>	<b>Utah 2005</b>	U.S. 1999	U.S. 2005	
Owner Costs as a Percent of Household Income					
Less than 20%	51.2%	34.6%	54.1%	36.0%	
20% - 29%	24.9%	32.5%	23.3%	29.1%	
30% or more	23.5%	32.8%	21.8%	34.5%	
Renter Costs as a Percent of Household Income					
Less than 20%	33.0%	26.3%	32.4%	23.8%	
20% - 29%	25.0%	25.3%	23.2%	22.8%	
30% or more	35.3%	41.6%	36.8%	45.7%	

Source: American Community Survey, U.S. Census Bureau

# Masatch County



An "urban fringe" county with a rural background, Wasatch County is fast becoming a major year-round recreational mecca for Utah's urban dwellers. The county has three large reservoirs, a historic railroad, and the 2002 Winter Olympic cross-country and biathlon venue of Soldier Hollow anchoring a multitude of outdoor leisure opportunities.

With commuting times of less than 45 minutes, Wasatch County has strong recreational and economic ties to both the Salt Lake and the Provo/Orem metropolitan areas.

Residential construction is booming with relatively low interest rates and

people seeking to locate in a scenic, rural setting within close proximity of urban amenities.

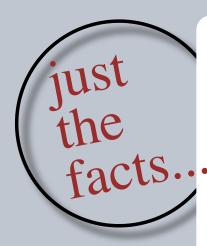
Since the 2000 Census, the Wasatch County population has increased by 38.4 percent, making it the second fastest-growing county in the state, not too far behind the blistering population growth of Washington County's 49.3 percent.

A few facts about Wasatch County:

- Ice fishing is popular on the highelevation Strawberry Reservoir.
- Jobs in the leisure and hospitality industry comprise 17.5 percent of

nonfarm employment in Wasatch County. The statewide average is 9.1 percent.

- The largest city in Wasatch County is Heber with 9,147 residents.
- Eighty-nine percent of Wasatch County residents over the age of 25 have at least a high school diploma and 26.3 percent have at least a bachelor's degree, according to the 2000 Census.



#### October 2006 **Unemployment Rates**

**Changes From Last Year** 

2.5 % Utah Unemployment Rate U.S. Unemployment Rate 4.4 %

1.7 points 0.5 points

Utah Nonfarm Jobs (000s) U.S. Nonfarm Jobs (000s)

1,228.9 136,738.0

201.8

162.0

5.0 % 1.4 %

#### **October 2006 Consumer Price Index Rates**

U.S. Consumer Price Index

1.3 %

U.S. Producer Price Index

2.5 %

Source: Utah Department of Workforce Services

October 2006 **Seasonally Adjusted Unemployment Rates** 

Beaver	2.3 %
Box Elder	2.5 %
Cache	2.0 %
Carbon	2.5 %
Daggett	3.6 %
Davis	2.4 %
Duchesne	2.6 %
	2.0 %
Emery	3.0 %
Garfield	4.9 %
Grand	3.8 %
Iron	2.1 %
Juab	3.0 %
Kane	2.8 %
Millard	2.3 %
Morgan	2.4 %
Piute	2.4 %
Rich	1.7 %
Salt Lake	2.5 %
San Juan	5.1 %
Sanpete	2.8 %
Sevier	2.5 %
Summit	2.3 %
Tooele	2.8 %
Uintah	2.1 %
Utah	2.3 %
Wasatch	2.3 %
Washington	2.2 %
Wayne	3.7 %
Weber	2.9 %

Watch for these features in our

### Next Issue:

#### Theme:

Local Employment Dynamics

#### **County Highlight:**

Washington

#### **Occupation:**

Education (teachers)



jobs.utah.gov/wi